

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

COMPANY PETITION No 298 of 1997

For Approval and Signature:

Hon'ble MR.JUSTICE Y.B.BHATT

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1. Whether Reporters of Local Papers may be allowed
to see the judgements? Yes

2. To be referred to the Reporter or not? No

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3. Whether Their Lordships wish to see the fair copy
of the judgement? No

4. Whether this case involves a substantial question
of law as to the interpretation of the Constitution
of India, 1950 of any Order made thereunder? No

5. Whether it is to be circulated to the Civil Judge?
No

SUN PHARMACEUTICAL INDUSTRIES LIMITED.

Versus

Appearance:

MRS SWATI SOPARKAR for Petitioner

MR BT RAO Addl.Central Govt. Standing Counsel

CORAM : MR.JUSTICE Y.B.BHATT

Date of decision: 19/11/97

ORAL JUDGEMENT

1. This is a petition filed by a company namely, Sun
Pharmaceutical Industries Limited for amalgamation of one
Tamilnadu Dadha Pharmaceuticals Limited with the
petitioner company under Section 391 read with Section
394 of the Companies Act, 1956.

2. Tamilnadu Dadha Pharmaceuticals Limited, the

transferor company is engaged in the business of manufacturing and marketing of various pharmaceutical products. It is situated at Chennai. I have been informed that all the necessary proceedings for the Transferor Company had been taken up in the High Court of Chennai and a copy of the order of the said High Court sanctioning the scheme so far as the Transferor Company is concerned, is already put on the record of this Court.

3. Sun Pharmaceutical Industries Limited, the transferee company is engaged in the business of manufacturing of pharmaceuticals. The petition gives details of the advantages that would flow by virtue of the amalgamation of the two companies.

4. The Scheme of Amalgamation has been approved in the meeting of the shareholders of the petitioner company unanimously. After the petition was admitted it was advertised in the newspapers and no one has come forward opposing sanction of the Scheme of Amalgamation.

5. Notice of the petition has been served upon the Central Government and Mr. B.T.Rao, Addl. Central Govt. Standing Counsel appearing for the Central Government has put on record the letter from the office of the ROC. This letter indicates that the Central Government has commented on the fixation of the exchange ratio at which the shares of the Transferee Company shall be issued and allotted to the shareholders of the Transferor Company. According to this letter, the share exchange ratio is worked out on the basis of the provisional unaudited accounts of the Transferor Company in case of the year 1996-97, and therefore, the same cannot be treated as realistic or fair. The petitioner company has filed an affidavit dated 14th November, 1997 before this High Court which clarifies this issue. According to the said affidavit, there is only a marginal difference in the figures of the profit between the unaudited and audited accounts and that there is no material variation in the details submitted to Central Government on the share exchange ratio arrived. The petitioner has also placed on record the certificate dated 15th November, 1997 issued by M/s. N.M. Raiji & Co., Chartered Accountants certifying that even after considering audited accounts the changes in the value of the shares of the Transferor Company are insignificant and that the ratio remains unchanged. In view of this affidavit and the revised report of the Chartered Accountants, the objection raised by the Central Government is not sustained. It is also further clarified that the High Court of Chennai has also approved the scheme with the same exchange ratio.

6. I have heard Smt. Swati S. Soparkar, learned Advocate for the petitioner company. Having gone through the petition I am satisfied that amalgamation would be in the interest of the companies and their members. Under the circumstances the Scheme of Amalgamation (Annexure-C to the petitions) is sanctioned. The prayers in terms of para-21 (A) of the petition are granted.

7. The petition is disposed of accordingly. So far as the costs to be paid to the Central Government Standing Counsel are concerned, I quantify the same at Rs. 7,500/- in one set to be paid to Mr. B.T.Rao.
